



JOHN CHIANG
California State Controller
Division of Audits

March 15, 2012

County Auditor-Controller:

This letter is to notify you that we are requesting that every redevelopment agency's successor agency complete and return the Asset Transfer Assessment form included with this letter. This assessment form will be used as part of the upcoming field review of your county's successor agencies to determine the value and status of all former RDA assets, as well as to identify improper asset transfers. Please send this assessment form to the appropriate successor agency representatives in your county as soon as possible since the form is due back to the State Controller's Office by **April 16, 2012**.

Pursuant to Health and Safety Code section 34167.5, the Controller is reviewing "the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency." The period to be reviewed will be between January 1, 2011 and January 31, 2012.

Additionally, if a city, county, or other public agency, directly or indirectly, received any ineligible assets from a redevelopment agency after January 1, 2011, it will be ordered to immediately reverse the transfer and return the applicable assets to the successor agency of the relevant redevelopment agency. This order applies in all situations except if the city, county, or other public agency has previously contractually committed to a third party for the expenditures or encumbrance of a specific asset. Such a commitment must be in place prior to June 29, 2011.

This order applies to all transferred assets, including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights and any rights to payment of any kind. This order directly applies to economic development corporations, joint powers authorities, or other public agencies that received assets, directly or indirectly, from a redevelopment agency after January 1, 2011. Ineligible asset transfers must be reversed. If you have any question as to whether a particular asset must be returned, you should place such assets into a reserve pending our review and you should not engage in any attempt to encumber or expend such assets.

March 15, 2012

We have included the assessment forms and instructions/definitions. We request that the completed forms be returned to the State Controller's Office no later than **April 16, 2012** at the address below:

State Controller's Office
Division of Audits
Local Government Bureau
Attn: Steven Mar
3301 C Street
Sacramento, CA 95816

If you have any questions, please call Steven Mar at (916) 324-7226, Division of Audits, Local Government Bureau.

Sincerely,

JEFFREY V. BROWNFIELD
Chief, Division of Audits

Definitions

"Asset" is any item of economic value owned by a redevelopment agency on December 31, 2010, especially that which could be converted to cash. Examples are cash, securities, accounts receivable, inventory, office equipment, real estate, and other property. Assets are classified into the following categories: current assets (cash and other liquid items), long-term assets (real estate, buildings, equipment), prepaid and deferred assets (expenditures for future costs such as insurance, rent, interest), and intangible assets (trademarks, patents, copyrights, goodwill).

"Carrying Value" or book value represents the purchase price (cost) less allowed depreciation.

"Transfer of Assets" column are any assets that the redevelopment agency transferred to the successor agency, the city, or any other public entity between the dates of January 1, 2011 and January 31, 2012. Forgiveness of a loan to a city, county, or other public agency would be considered a transfer.

Instructions for Assessment

1) – Type in original redevelopment agency name and the unique 11-digit ID # for the agency that is provided on the State Controller's Financial Transactions Report for redevelopment agencies.

2) – Provide the contact information for the person preparing the report to include name, phone number, title, and email address.

Column A – List all redevelopment agency assets recorded on the books as of December 31, 2010 and January 31, 2012. **Note:** Please add lines on the form as necessary to include all the agency assets.

Column B – Include carrying values (book values) for all assets listed in Column A as of December 31, 2010 and January 31, 2012.

Column C – List any assets the redevelopment agency transferred between January 1, 2011 and January 31, 2012. Include the date the asset was transferred, and the city, county, or other public agency to whom the asset was transferred.

Column D – State yes or no whether any asset(s) were contractually committed or encumbered to a third party after June 29, 2011. If yes, include date of contract.

Column E – State yes or no whether any transferred asset(s) were reversed and sent back to the redevelopment agency.

Asset Transfer Assessment

Cover Page

Successor Agency _____

Agency ID Number _____

Successor Agency Officer Certification:

TO STATE CONTROLLER, I hereby certify, to the best of my knowledge and belief, that the information reported on the asset transfer assessment is accurate, accounted for, and fully disclosed.

Successor Agency Officer:

Signature

Title

Name (Printed)

Telephone No.

Date